

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 7508

Petition of Georgia Mountain Community Wind, LLC for a )  
Certificate of Public Good, pursuant to 30 V.S.A. )  
§ 248, authorizing the construction and operation of a )  
5-turbine, 12 MW wind generation facility, with associated )  
electric and interconnection facilities, on Georgia Mountain )  
in the Towns of Milton and Georgia, Vermont, to be known )  
as the "Georgia Mountain Community Wind Project" )

Order entered: 12/22/2011

**ORDER RE: FINAL APPROVAL OF DECOMMISSIONING PLAN**

**I. INTRODUCTION**

On June 11, 2010, the Public Service Board ("Board") granted a Certificate of Public Good ("CPG"), pursuant to 30 V.S.A. § 248, to Georgia Mountain Community Wind, LLC ("GMCW"), authorizing the installation and operation of a 5-turbine, 12 MW wind generation facility, with associated electric and interconnection facilities, on Georgia Mountain in the Towns of Milton and Georgia, Vermont, to be known as the Georgia Mountain Community Wind Project (the "Project").

The CPG included the following requirement as Condition 12:

GMCW shall file a Decommissioning Plan (the "Plan") for Board approval. The Plan shall include a detailed estimate of the projected decommissioning costs along with certification that the cost estimate was prepared by a person(s) with appropriate knowledge and experience in wind generation projects and cost estimating. The Plan may allow GMCW to contribute to the Decommissioning Fund (the "Fund") as the construction process proceeds such that the funding level is commensurate with the costs of removing infrastructure in place. The amount of the Fund may not net out the projected salvage value of the infrastructure. The Plan shall include a copy of the Letter of Credit to be posted by GMCW to secure the full amount of the Fund, and demonstrate that the Fund will be managed independently and be creditor- and bankruptcy-remote in the event of GMCW's insolvency or business failure. The Letter of Credit shall be issued by an A-rated financial institution, shall name the Board as the designated beneficiary, and shall be an "irrevocable standby" letter that includes an auto-extension provision (i.e.,

"evergreen clause"). Parties will have three weeks, from the date this Plan is filed with the Board, to comment on the Plan. GMCW cannot commence construction until the Plan is approved.

On October 4, 2011, as required by Condition 12, GMCW filed its proposed Plan for review by the parties and approval by the Board. On November 4, 2011, GMCW filed a revised decommissioning plan ("Revised Plan").

On December 9, 2011, the Board issued an *Order re: Decommissioning Plan* denying, without prejudice, GMCW's plan to establish a Fund based on the cost estimates submitted with its October and November filings and utilizing a drawing certificate such as the sample submitted with its November filing. In all other respects, GMCW's Revised Plan was approved with modifications. The Order required GMCW to: (1) file an updated and corrected estimate for the cost of decommissioning for Board review and approval prior to the commencement of construction; and (2) file a revised drawing certificate for Board review and approval prior to the commencement of construction.

On December 15, 2011, GMCW filed an updated and corrected estimate for the cost of decommissioning and a revised drawing certificate for Board review and approval. As directed by the Board's December 9 Order, GMCW provided: (1) a revised cost estimate of decommissioning that included a detailed overview of the scope of work; and (2) a revised sample drawing certificate that removed the reference to a prerequisite for the Board to access funding under the Letter of Credit based on the issuance of a "final order, no longer subject to appeal, in which the Beneficiary orders decommissioning."

On December 16, 2011, the Board issued a memorandum requesting comments on the December 15 filings.

On December 21, 2011, the Agency of Natural Resources ("ANR") filed comments with the Board regarding GMCW's December 15 filings.

No other party filed comments.

## **II. DISCUSSION AND CONCLUSION**

GMCW's total cost estimate for decommissioning (\$516,000) filed on December 15 is identical to the total cost estimates submitted with its October and November filings, despite the fact that GMCW was required to expand the proposed scope of the decommissioning from its November proposal. ANR states that "[i]t strains credulity and reason that the decommissioning costs have not increased despite the increase in the work required during decommissioning and the passage of time." In addition, ANR states that "the estimated cost of decommissioning continues to be insufficient to pay for the restoration required by the Board." We agree.

Given that GMCW's total estimated costs for decommissioning did not change to reflect the expanded scope of work, we find that GMCW's estimate may not adequately reflect the costs of decommissioning. Accordingly, we are requiring that GMCW establish a Fund in the amount of \$600,000. This increased amount should be sufficient for the additional required work, that was not reflected in GMCW's October 4 filing. If GMCW continues to maintain that the \$516,000 amount is sufficient, it must file a cost estimate prepared by a second, independent, qualified contractor. Therefore, we hereby approve GMCW's plans to establish a Fund based on the revised drawing certificate and require that GMCW establish a Fund in the amount of \$600,000, in accordance with the Orders previously issued in this Docket.

**SO ORDERED.**

DATED at Montpelier, Vermont, this 22<sup>nd</sup> day of December, 2011.

<u>s/James Volz</u>	)	
	)	PUBLIC SERVICE
	)	
<u>s/David C. Coen</u>	)	BOARD
	)	
	)	OF VERMONT
<u>s/John D. Burke</u>	)	

OFFICE OF THE CLERK

Filed: December 22, 2011

Attest: s/Susan M. Hudson  
Clerk of the Board

*NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)*

*Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.*